
Wilsonville Equitable Housing Strategic Plan

January 2020

Note to reviewers:

This document compiles nine months of stakeholder engagement and technical analysis in a draft Equitable Housing Strategic Plan intended to support stakeholder and City leadership review. As such, we expect that its content will evolve with your feedback. In some places, we have intentionally called out areas that need additional internal conversations or discussions with the project Task Force, City Council, and Planning Commission to advance to a final document that will carry the weight of the city's commitment to action.

Thank you for your time and attention in reviewing and providing feedback on this important document.

Review Draft



Acknowledgements

Task Force

Ben West, Task Force Chair
Wilsonville City Council

Bryse Bishoff,
DWFritz

John Cronkite,
Resident

Paul Diller,
Resident

Devin Ellin,
Housing Authority of Clackamas County

Kevin Ferrasci O'Malley,
Wilsonville Chamber of Commerce

John Ginsburg,
Clackamas Community College

Roseann Johnson,
Homebuilders Association of Metro Portland

Rudy Kadlub,
Costa Pacific Communities

Marylee King,
Resident

Kamran Mesbah,
Wilsonville Planning Commission, resident

Taft Mitchell,
Wilsonville Community Sharing, resident

Iona Musgnung,
Oregon Tech

Craig Porter,
Resident

Rebecca Small,
Metro Planning and Development

Bill Van Vliet,
Network for Oregon Affordable Housing

Liz Winchester,
Northwest Housing Alternatives

City Council

Mayor Tim Knapp
Kristin Akervall, Council President
Charlotte Lehan, Councilor
Ben West, Councilor
Dr. Joann Linville, Councilor

Planning Commission

Kamran Mesbah, Chair
Ronald Heberlein, Vice Chair
Jerry Greenfield
Phyllis Millan
Simon Springall
Jennifer Willard
Aaron Woods

City of Wilsonville

Miranda Bateschell
Georgia McAllister
Chris Neamtzu
Kim Rybold
Jordan Vance

Consultant Team

Lorelei Juntunen, Emily Picha, and Oscar Saucedo-Andrade, ECONorthwest
Andree Tremoulet, Commonworks Consulting
Deb Meihoff, Communitas, Inc.

This project is partially funded by a Metro 2040 Grant.

Table of Contents

1. A CALL FOR ACTION	1
2. CONTEXT	4
3. FRAMEWORK FOR ACTION	7
4. IMPLEMENTATION ACTIONS.....	11
5. TOOLS REQUIRING FURTHER EXPLORATION	13
6. STEPS FOR IMPLEMENTATION	21
APPENDICES.....	23

DRAFT

This page intentionally blank

DRAFT

1. A Call for Action

Rising housing prices affect every community in the Portland metropolitan region in different ways, and each community is searching for solutions that match their unique challenges.

Wilsonville experiences many of the same challenges as other communities in the region: affordable rental and homeownership options are increasingly out of reach for current residents as well as for those seeking a new life in the community, construction costs are rising, and there is a limited supply of new land.

At the same time, Wilsonville has unique challenges that require targeted solutions. For example, while multifamily housing comprises over half of Wilsonville’s housing stock, the City’s supply of low-cost market rate housing units is limited. And, at the same time that the City is planning for new housing in urban growth areas, there are limited opportunities for near-term new development opportunities in established residential neighborhoods. The City also has no dedicated City staff or local housing authority focused on lower-cost housing.

Residents have expressed concern about being displaced or having to move out of the City in search of more affordable rental and homeownership opportunities. Residents have also expressed an interest in encouraging a broader range of housing types to be built, including more single-level homes with accessibility or adaptability features, accessory dwelling units and entry-level homes.

In the midst of this regional housing crisis, Wilsonville seeks to expand opportunities and access for more people to enjoy the City’s quality of life. To address the community’s housing needs now and in the future, the City of Wilsonville has committed to establishing a roadmap toward a more *equitable* housing system. While housing affordability is a key component of housing equity, providing more rent-restricted affordable housing without also taking other actions will not achieve the full potential of an equitable housing approach. As a frame for action, equitable housing means that all people are able to find a home that meets their needs for location, price, and household needs. It requires a strategy that not only account for new units and price points, but also other features needed by the people who will occupy them.

With this Strategic Plan (Plan), the City commits to a set of actions that it will take in the next two years and beyond to move toward more equitable housing outcomes. The Plan’s actions encourage the production of more diverse housing types with access to services, improve

What is equitable housing?

Equitable housing goes beyond simple affordability. It aims to ensure all people have housing choices that are diverse, high quality, physically accessible, and reasonably priced, with access to opportunities, services, and amenities.

This broad definition includes choices for homes to buy or rent that are accessible across all ages, abilities, and incomes and convenient to everyday needs, such as transit, schools, childcare, food, and parks.

Equitable housing also represents a system that accounts for the needs of households with low income and communities of color, recognizes a history of housing discrimination, and complies with current state and federal fair housing policy.

Source: Metro

partnerships with housing providers, expand homeownership opportunities, and reduce displacement risk for Wilsonville residents.

How can this Plan advance housing equity?

Access to housing is foundational to family success and helps to achieve broader equity goals. Affordable, stable housing can help families meet their basic needs and build reserves for unforeseen expenses. Providing a diverse set of housing sizes and types can help to accommodate the many different households that might wish to locate in Wilsonville in the future. Furthermore, locating those units close to services, transit, parks, civic buildings, and retail opportunities can increase quality of life.

Housing affordability is a key component of housing equity. Research for Metro’s 2018 Affordable Housing Bond found that access to stable, accessible housing that people can afford contributes to a wide range of equitable outcomes:

- **Better outcomes for schoolkids:** Studies have shown that children from low-income families earn more as young adults when they spend more of their childhood in an affordable home.²
- **Increased access to jobs:** A TriMet analysis suggests high housing costs are playing a role in pushing low-income workers to the edge of urban areas where there are more dispersed street networks, low population densities, and a lack of safe walking routes.
- **Better outcomes for people of color:** While renters saw their household incomes increase about 12 percent between 2010 and 2015, Native Americans and African-Americans saw gains of only three and four percent over that same time period, respectively.³ ****Will add info on Latinx household income trends****
- **Better quality of life for seniors and people with disabilities:** Research shows that low-income seniors who pay less than half of their income on rent have up to \$150 more per month, or \$1,800 more per year, available to spend on health care or other basic necessities than their cost-burdened peers.⁴
- **A more stable economy:** Analysis shows that the economy of greater Portland is being held back because of the growing imbalance between housing costs and wages—one estimate predicts this imbalance will result in 50,000 fewer jobs over the next 10 years.⁵ Workforce housing supply is a critical component to Wilsonville’s ability to remain a desirable place to do business.

What is equity?

There are many working definitions and visions of what an equitable world would look like. One definition, from the Stanford Social Innovation Review, describes equity this way:

“It is about each of us getting what we need to survive or succeed—access to opportunity, networks, resources, and supports—based on where we are and where we want to go.”¹

“For many of our patients, a safe, decent, affordable home is like a vaccine—it literally keeps children healthy.”

-Megan Sandel, M.D., M.P.H. and Deborah Frank, M.D.

Prospective employers are weighing this factor more heavily than they have in past when making decisions on relocation and expansion.

- **Lower medical expenses:** A Providence Health study in the Portland region showed that once lower income families moved into affordable housing, they had fewer emergency room visits and accumulated lower medical expenditures than in the year before they moved in.⁶
- **More stable employment:** Housing stability affects worker performance. For low-income workers who experienced an eviction or forced move, the likelihood of being laid off increases between 11 and 22 percentage points, compared to similar workers who were not forced to move.⁷

Starting a conversation about equity with an intentional focus on housing can lead to meaningful change toward better outcomes for all Wilsonville residents. Housing equity – a world in which all people have housing choices that meet their unique needs without racial and economic disparities – is a key component of a larger strategy of achieving greater equity.

What changes with implementation of this Plan?

This Plan is the first step in a change from business as usual. Recognizing the complex, interrelated conditions that result in social and economic inequities, and the critical urgency of housing access, **this Plan intentionally focuses on a set of housing actions that the City can begin to advance in the two years following the Plan’s adoption.** These actions range from identifying site-specific development opportunities, to code-based strategies, to tax abatements.

At the same time, the Plan also identifies a set of actions that have promise but that will require more exploration and definition to advance. These actions include revisiting parking requirements, exploring a land acquisition strategy, and reducing or waiving permit fees. **This structure allows the city to make immediate progress on pressing issues while clarifying its next steps. It recognizes that achieving housing equity will require sustained action over time, and that the City has more to learn as it goes.**

Much of what the city needs to learn about housing equity will require careful listening, especially to those who understand housing inequities first-hand. Success will build from ongoing engagement with housing and service providers, regional and state housing funders, and the citizens of the City of Wilsonville, especially Wilsonville’s communities of color, renters, those seeking to become homeowners, and other residents that are experiencing the worst effects of income disparities. The research and conversations conducted as part of this Plan revealed that there are currently few Wilsonville community-based organizations working on housing and equity questions; in that context, authentic, community conversations that expand the collective imagination about equitable outcomes are an even more necessary starting place.

In the meantime, the City’s commitment to the actions proposed in this Plan will begin its journey.

2. Context

This Plan draws from many sources to identify priorities, including technical analysis of the housing market, stakeholder interviews, public outreach, and discussions with a project task force, Planning Commission, and City Council.

Overview of Housing Needs

The project team completed a Housing Market Research Report to document existing and projected future housing conditions. The purpose of this Housing Market Research Report is to synthesize background information on the current housing market to support development of focused actions. In particular, the report focuses on housing affordability issues and identifies the types of housing that the city should plan for in the future. The data source for the following summary is predominantly the United States Census American Community Survey, with additional data from Metro's Regional Land Information System.

This section summarizes the research conducted as part of the Housing Market Research Report, which is included in Appendix A.

Who lives in Wilsonville today?

- Wilsonville has a relatively young population. Millennials make up 32% of the population in the city, compared to 24% in Clackamas County. Aging Baby Boomers (ages 60+) make up 20% of the population in the city, compared to 23% in the county. The majority of households are family households.
- Median household income in 2016 was \$105,000 for homeowners and \$50,000 for renters. The majority (56%) of Wilsonville householders are renters.
- The Latinx community is expanding quickly. Between 2000 and 2016, the Latinx population in Wilsonville grew by about 2,000 people, from 6% to 11% of the population. This growth rate was greater than the growth rate of any other population in Wilsonville or the growth rate of Latinx population in the county.

What will Wilsonville's future population look like?

- Wilsonville's population is projected to grow by 14% over 20 years. About half of the new households are expected to be low income (earning less than 80% of MFI).
- Countywide, Middle-aged Millennials (ages 40 to 60) will grow to 28% of the population, and, the share of people over age 60 is expected to stay relatively constant. While city-level projections are not available, Wilsonville will be affected by these countywide trends.
- Latinx residents in the metropolitan region will more than double by 2040 because 46% of all new residents are expected to be Latinx. Again, Wilsonville is expected to be affected by this broader trend.

What are the current housing conditions in Wilsonville?

- Wilsonville has an even mix of multifamily and single-family homes, while a greater proportion of homes in Clackamas County are single-family. Single-family and multifamily homes are well-distributed across the city and close to services. Market trends for multifamily rental housing in Wilsonville mirror those of the Portland region, but the city's multifamily housing stock is relatively new and high-quality compared to that of the region.
- One in ten Wilsonville households live in a subsidized unit, most of which are for families and seniors. However, despite Wilsonville's subsidized housing stock, almost a quarter of all households in the city are housing cost-burdened, spending more than 30% of their income on housing. Eight of ten Wilsonville households earning less than \$50,000 per year are cost-burdened.
- Homeownership is out of reach for many residents. Entry-level homes and most other homes cost much more than what the average household can afford. A median renter household could afford homes valued between \$221,000 and \$252,000 if they had sufficient down payment resources, but the median housing price in Wilsonville was \$454,500 as of February 2019.

What types of housing will future residents need?

- The city will need a wider range of housing types and at more affordable costs. Baby Boomers, Millennials, and Latinx families will be increasingly important groups seeking affordable housing options, but they will have different preferences for unit types and sizes. Attached single-family and multifamily units will likely be the most affordable choices people seeking less expensive options.
- Key growth areas are the Frog Pond and Town Center planning areas. Most of the housing needs can be met by the new homes built in these areas. While these areas are projected to meet most of the numerical demand for new units, additional actions are needed to generate the full range of types and price points of housing needed by future Wilsonville households.

Stakeholder and Public Engagement

The team conducted stakeholder and public engagement to understand housing challenges and possible solutions. The team conducted a process that included:

- One-on-one interviews with 10 key stakeholders. Participants included community-based organizations, real estate professionals, etc. Some of these organizations currently address the needs of underrepresented groups in Wilsonville.
- A survey of 15 community members who rent units in existing subsidized buildings.
- An online survey on Let's Talk, Wilsonville! with 80 participants.

- Three focus groups with nonprofit affordable housing developers, local employers, and community-based organizations that serve Wilsonville residents, including underrepresented populations.
- A kiosk at the Wilsonville Public Library that featured an interactive poll available in English and Spanish that was available during December 2019.
- A survey of employers with nine responses that indicated workforce housing costs were a concern.

A summary of feedback and themes emerging from the project's stakeholder and public engagement process is included as Appendix B.

Develop Investment Framework and Project list

The outcome of the technical analysis and public outreach described above resulted in a list of possible implementation actions. The project team developed and vetted (with the project Task Force, City Council, and Planning Commission) a framework for prioritizing those projects and moving toward implementation together in concert the other public and private partners in the community. The project team worked with City Council and Planning Commission to develop and vet the list of possible implementation actions.

Final Plan

This Strategic Plan documents the plan process, key findings from the outreach and technical analysis, the City's framework action, and details the list of specific actions the City will take to advance its equitable housing goals.

3. Framework for Action

This Plan moves the City toward a comprehensive approach to achieving equitable housing outcomes. It focuses on a set of housing actions that can be initiated in the two years after Plan adoption and completed in the short-term. At the same time, the Plan also identifies a set of potential actions that have promise but that will require more exploration and stakeholder discussions before the city can advance them. This structure allows the City to make immediate progress on pressing issues while clarifying its next steps.

Policy Objectives

Drawing from adopted policies and priorities, stakeholder input, and feedback from the Planning Commission and Equitable Housing Task Force, the Wilsonville City Council developed policy objectives to guide development of the Equitable Housing Strategic Plan. These objectives set the course for the city's approach to improving equitable access to a range of housing in Wilsonville.

1. Greater availability of a diversity of housing types for a full range of price points to serve the community.
2. Increased partnerships with nonprofit and for-profit housing developers.
3. New and expanded affordable homeownership opportunities, especially for first-time homebuyers.
4. Reduced risk of housing displacement.
5. Targeted housing opportunities in areas with access to services and public transit.
6. Maintenance and expansion of quality subsidized affordable housing stock.
7. Implementation of all housing policies through a lens of social equity and inclusion.

The actions described in the following sections advance these policy objectives.

Funding Sources

One of the key limitations implementing the actions in this plan is the availability of funding. Funding is needed not just to increase or preserve affordability and access to equitable housing, but also to cover staff time. Identifying a set of realistic funding sources will be necessary for achieving the vision of equitable housing in Wilsonville.

Locally-Controlled Funding Sources

Beyond the funding tools available at the state and regional levels, the City will need to explore a range of locally-controlled funding options to generate additional resources for affordable housing development and associated programs.

- Additional **General Fund Revenue** can support equitable housing preservation and development programs in the City of Wilsonville. General fund dollars are generally in short supply; housing projects and programs must compete with other key City services for funding. However, as a source of one-time funds for important projects, to support outreach efforts and fund staff time, or for other smaller-scale funding needs, general fund can be a critical contributor to a comprehensive equitable housing implementation.
- A **Construction Excise Tax**¹ consistent with recent changes to state law can generate funding for housing development incentives and programs in the City of Wilsonville. Many communities around Oregon are in the process of exploring the application of CET for housing projects. The City should explore implementation of a CET in the near-term, including assessing potential revenue generation (using 10 to 15 years of past development activity as a case study), studying impacts on development activity and business recruitment, outlining funding objectives needed to advance the equitable housing strategy, and coordinating the process for CET adoption by ordinance.
- **Tax Increment Financing (TIF) Revenue** from Wilsonville's urban renewal areas (as applicable). TIF (also commonly referred to as urban renewal) is a financing tool for local governments to use property taxes generated from new development in a specific area to fund capital improvements in that same area. The state's statutes, Oregon Revised Statutes chapter 457, allow for TIF to fund the development of affordable housing, mixed-use housing, housing that meets other public goals, and / or infrastructure. Some communities choose to include funding for affordable housing as a project in their urban renewal area plans; some have even used their urban renewal plans to identify a portion of all TIF dollars that should be used for affordable housing. Wilsonville should review its current TIF districts to determine if there is potential project funding available for housing development (that would comply with the district plan) and the legal capacity for the City to expand or establish new TIF districts that could include allowances for housing assistance.

Partner Funding Sources

Funding sources available at the regional and state levels can be used to fund several projects and programs, such as new construction of subsidized units, renter supports, weatherization programs, and home ownership support programs. These partner funds will be an important

¹ A CET is a percentage-based fee on new residential or commercial construction charged at the time of permitting. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. If adopted, the tax would be 1% of the permit value on residential construction and at an uncapped rate on commercial and industrial construction.

part of how the City will advance its equitable housing priorities. As such, the City should seek to develop closer ties with its regional and state partners, track funding cycles, and understand gaps in funding availability.

- **Clackamas County**, through its Department of Health Housing and Human Services (H3S), manages a wide array of federal, state and local resources for housing and social services that are available in Wilsonville. For example, the Community Development Department administers federal Community Development Block Grant and HOME funds that represent potential funding sources for housing development and rehabilitation programs. The Housing Authority of Clackamas County administers housing vouchers that help lower income households afford rental housing. One way to capture these and other housing and human services resources is through collaboration with affordable housing providers and Clackamas County.
- **Metro's General Obligation Bond** will fund regional affordable housing development through a new region-wide property tax. In the near-term, this funding source creates the most likely opportunity for funding construction of new affordable housing units or rehabilitation of existing units in the City of Wilsonville. The Housing Authority of Clackamas County is responsible for creating and administering the countywide Local Implementation Strategy for deploying these funds. One of the key actions in the coming year is to work more closely with Clackamas County to determine which properties and projects in the City of Wilsonville are eligible for these resources. In addition, **Metro's TOD Program** provides support to create public-private partnerships that produce transit oriented development projects, which would complement City's potential land acquisition activities.
- The **State of Oregon** can serve as a partner in several ways.
 - **Oregon Housing and Community Services (OHCS)** funds low-interest loan programs, grants, and tax credits for affordable multifamily rental housing developments through its Multifamily Housing Finance Section. The Section works with local jurisdictions and affordable housing developers to provide financing packages to carry out the department's mission to develop and preserve affordable housing, linked with appropriate services, throughout Oregon. In addition, OHCS has a variety of programs that support tenants, including home weatherization and emergency rent supports. One way to better access these resources for Wilsonville is through partnering with affordable housing providers and Clackamas County.
 - In 2019 the Oregon Legislature passed two bills that support housing development in urban areas – referred to as House Bills 2001 and 2003 (HB 2001 and HB 2003). The new laws seek to expand housing choice in cities across the state by requiring cities within the Metro area to allow duplexes on lands zoned for single dwellings and to develop new methodologies for calculating the amount of land and types of housing needed to meet growth expectations. To support local government efforts in implementing HB 2001 and HB 2003, the Legislature appropriated \$4.5 million to **the Department of Land Conservation and Development (DLCD)** for technical

assistance grants. In late 2019, Wilsonville applied for and received a grant from DLCD through this program, which will support a portion of the work outlined in one of this Plan's implementation actions.

- Many **private organizations** in the region provide services and housing that can support a more equitable community in Wilsonville. Partnerships with these organizations will be necessary to secure and create equitable housing as envisioned in this strategy. These partners have their own sources of funding that can be matched to one another and to public sources noted above. Funding partnerships for equitable housing could include: public/private development agreements, foundation grants, down-payment assistance, rent assistance, land trusts, transportation or in-home care for disabled and elderly residents, and employer-based housing assistance.

Other Partners

An effective strategy will require ongoing outreach, support, and coordination with organizations in the community that may or may not include funding. Other partners could include local and regional foundations, community-based organizations (including Heart of the City and Wilsonville Community Sharing), large employers, the West Linn-Wilsonville School District, and Habitat for Humanity.

4. Implementation Actions

Community stakeholders and market research have provided insights to the greatest needs and opportunities for equitable housing in Wilsonville. Throughout the process, the City asked its leaders and partners: What is the best step we can take in the next few years?

The Wilsonville City Council took the information gathered and created a discrete list of **implementation actions** that have been prioritized for near-term implementation. (See the following pages for details.) While many strategic approaches and actions were considered, these actions arose as the best opportunities for responding to immediate needs while also establishing a system for the City to continue its work for the long term. Council also identified a set of **actions requiring further exploration** that require further research and community discussions and were not prioritized for immediate implementation, may be considered again in future years as more equitable housing is achieved and new needs arise. *Please refer to Appendix C for a complete list of actions considered in the process.*

1. Implementation Actions <i>High-priority actions the City plans to initiate within two years of strategic plan adoption.</i>	2. Actions Requiring Further Exploration <i>High-priority actions that require further research and community discussions for the City to determine how or if it will pursue in the near-term.</i>
1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property 1B: Incorporate Equitable Housing Needs into Middle Housing Planning 1C: Define Equitable Housing Approaches in New Urban Growth Areas 1D: Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability 1E: Facilitate Connections to Partners and Housing Resources through City Liaison	2A: Secure Land for Development of Affordable and Equitable Housing 2B: Reduce Housing Costs by Modifying Parking Requirements 2C: Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing 2D: Partner with Community Land Trusts 2E: Explore Homeownership Support Programs 2F: Explore Housing Preservation Tax Abatement 2G: Assess Accessibility and Visitability Standards or Incentives

Exhibit 1 cross-references the Plan’s policy objectives and actions.

Exhibit 1. Actions by Policy Objective

		1. Diverse Housing Types	2. Partnerships	3. Homeownership	4. Reduced Displacement	5. Accessible Locations	6. Expand Subsidized Housing Stock	7. Social Equity
1A	Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property	■	■			■	■	■
1B	Incorporate Equitable Housing Needs into Middle Housing Planning	■		■		■		
1C	Define Equitable Housing Approaches in New Urban Growth Areas	■	■			■	■	■
1D	Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability	■	■			■		
1E	Facilitate Connections to Partners and Housing Resources through City Liaison		■	■	■			■
2A	Secure Land for Development of Affordable and Equitable Housing		■	■		■		
2B	Reduce Housing Costs by Modifying Parking Requirements	■	■			■		
2C	Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing		■				■	
2D	Partner with Community Land Trusts		■	■			■	■
2E	Explore Homeownership Support Programs			■				■
2F	Explore Housing Preservation Tax Abatement		■		■			
2G	Assess Accessibility and Visitability Standards or Incentives	■						■

The following section details the six key actions for the first year after adoption of the Strategic Plan, providing information about why the action is important and what stakeholders said about the action. It also includes an order-of-magnitude assessment of each action’s potential impact and administrative requirement, referencing the following key.

Key:	Potential Impact	Administrative Requirements
	◆◆◆ High	◆◆◆ Relatively low administrative requirements, mostly policy setup
	◆◆ Medium	◆◆ Moderate administrative effort
	◆ Low	◆ Substantial staff time and program setup required

1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property

Summary

The City-owned property at the Wilsonville Transit Center is the City’s main opportunity to promote TOD with affordable and/or workforce housing. Potential support could include development/permitting incentives or a public-private partnership that would provide development or infrastructure subsidies in exchange for fulfillment of community goals. The parking lot adjacent to the development site currently has 399 spaces. Many of those spaces are not utilized throughout the day, overnight parking is permitted but rare, so one important opportunity in the development program is the ability to share parking between the park and ride and the development.

The City is interested in completing a Development Opportunities Study and Prospectus to understand development possibilities and constraints and compile materials that the City can use as it conducts outreach with potential developers.



Source: City of Wilsonville

Rationale	The Wilsonville Transit Center is one of the City’s limited opportunities to provide true transit-oriented development within the community. Given City ownership of the site, it is also an opportunity to provide affordable housing through land write downs for nonprofit affordable housing development.
Policy Objectives	1 (Diversity of Unit Types), 2 (Partnerships), 5 (Accessible Locations), 6 (Expand Subsidized Housing Stock), 7 (Social Equity)
Summary of Stakeholder Feedback	Near-term opportunity with potential high-impact. Affordable housing developers are interested in exploring this opportunity. Planning Commission and Task Force supported this tool.
Potential Impact	◆◆◆ Control of land is one of the key sources of local government leverage for housing development. The Wilsonville Transit Center property presents an opportunity for transit-oriented affordable housing.

Administrative Effort	◆◆ Requires development of partnership agreement with developer
Applicable Geographies	Single-site
Partners	• Nonprofit developers, Tri-Met, State of Oregon, Metro, Clackamas County
Potential Funding Sources	Land write-down, Metro Bond, Federal Transit Administration (FTA) funding, Metro TOD Grant Program. If the City is interested in pursuing Metro Affordable Housing Bond funding for this project, any technical work will need to be expedited to match up to the release of bond funds through the Notice of Funding Available. **confirm dates for NOFAs in next draft**
Next Steps	<p>1. Complete Development Opportunities Study (DOS)</p> <p>The DOS will explore the following questions:</p> <ul style="list-style-type: none"> • What are Council’s goals for development on the site? How can the City balance its financial and housing goals? • What are the market conditions for development at this site? • What are the constraints for the site, including any considerations related to environmental, transportation impacts, utility connections, etc. • How many housing units could the site accommodate under existing zoning? • How can the City best position the site for Metro Bond funding? Does that include confirming desired income tiers and unit types (e.g. two bedroom units) that conform with the Clackamas County Housing Authority’s Local Implementation Strategy for the site? **Provide additional direction pending conversations with Metro and Task Force on how to best market this publicly controlled site not just to developers but to the HACC and Metro leadership who will ultimately approve funding.** • Given current market conditions and the site's context, should the development program include ground-floor retail? • What disposition alternatives should the City explore? <p>2. Outreach</p> <p>The outcome of the DOS exercise will be a site prospectus that will provide potential development partners and funders with information about the site and the City’s objectives for development. The City should consider convening a mix of affordable housing developers and for-profit developers to (1) help understand opportunities and barriers and (2) build interest. Questions for outreach include:</p> <ul style="list-style-type: none"> • What are possible funding sources for development, including regional, state, and federal sources? • What can the City do to make this site more attractive for those funding sources? <p>3. Solicitation Process</p> <p>The final near-term implementation step will be to define a process for soliciting interest from affordable housing developers.</p> <ul style="list-style-type: none"> • Determine funding resources or incentives that could be applied. • Refine Council goals for the site, based on feedback from outreach. • Market and Release RFP for the site.

1B: Incorporate Equitable Housing Needs in Middle Housing Planning

Summary

Oregon House Bill 2001 requires that local jurisdictions adopt zoning code regulations or comprehensive plan amendments to permit middle housing types (e.g., duplexes, triplexes, etc.) in all areas that are zoned for residential use and allow for detached single-family dwellings. These changes will allow for a diversity of unit types throughout Wilsonville, but the City will need to assess its own plans for future planning areas for Frog Pond as well as the restrictions in each of its existing neighborhoods that have HOAs. The City could explore implementation actions beyond HB2001's requirements, such as code changes to encourage accessibility, design options to promote affordability, etc. The City plans to address many barriers to expand housing variety while implementing key equitable housing strategies related to quality design standards, community support, and adequate infrastructure.

The City of Wilsonville has a unique set of circumstances that demand a creative approach to implementing the HB 2001 requirements. Most of the City's established neighborhoods are in planned unit developments, and a majority of planned housing units are located in large master plan areas with a variety of housing types, some of which already have completed master plans. The City of Wilsonville is spearheading a project that will ensure that tools are in place to support the development of a wider range of housing types. As part of this project, the City will complete the following activities:

1. Public outreach and education: public events, a public engagement website, and a memo for duplex and middle housing design based on community inputs.
2. Updating plans and codes: review of density limits and other codes, revision of Frog Pond West master plan, and updated zoning code amendments. This will include an analysis of how zoning code requirements may affect the affordability of housing.
3. Developing architectural standards: research of architectural standards and architectural renderings.
4. Reviewing and updating infrastructure plans: projection of infrastructure needs, revision of Frog Pond West infrastructure plan, and citywide infrastructure update recommendations.
5. Funding infrastructure: analysis of various public service charge and permitting process options.

This action will intersect with **Action 1C**, which includes approaches for equitable development in newly master planned areas.

Rationale	The City will explore design standards and incentives to further expand the housing variety in Wilsonville. Not all residential communities have explicitly considered housing variety in previous planning efforts. Now there is an opportunity to address equitable housing concerns related to HB2001.
Policy Objectives	1 (Diversity of Unit Types), 3 (Homeownership), 5 (Accessible Locations)
Summary of Stakeholder Feedback	There is interest in a broader variety of housing types, including starter homes and middle housing types, but the ability for those housing types to be incorporated into existing neighborhoods requires further study.

Potential Impact ♦♦ Changes are likely to happen incrementally over time. Some neighborhoods will likely see more of a diversity of development proposals than other neighborhoods, depending on location and other factors. When combined with financial incentives, these changes could have a greater impact on development feasibility for middle housing types.

Administrative Effort ♦♦ The City will explore potential amendments to the Development Code through a public process, adopt any Development Code changes that emerge from that process, and then review proposals through the existing development review process.

Applicable Geographies Citywide, with a focus on Frog Pond

Partners DLCD, Metro

Potential Funding Sources DLCD grant, other regional funding sources, General Fund

Next Steps

- Understand state rulemaking around HB 2001 and implications for current master plans.
- Assess to what degree the statewide requirements affect an area that has a master plan
- Identify regulatory barriers to duplex and middle housing development and needed updates for regulatory compliance.
- Discuss possible financial, design, or other regulatory incentives for missing middle housing, and whether to target to specific geographies.

1C: Define Equitable Housing Approaches in New Urban Growth Areas

Summary	As part of the master planning requirements for Frog Pond East and South, the City will establish goals or targets for accessibility to services/amenities, unit types, and unit affordability levels. The targets for affordability levels (number of units and depth of affordability for those units) should be reasonably achievable, allowing for sufficient market rate development to support key infrastructure investments. The City can explore applying these methodologies and unit targets in future urban growth areas beyond Frog Pond.
Rationale	Integrating housing units for low-income and public housing residents into market rate development buildings can encourage greater community stability, safety, and access to opportunity for vulnerable populations. **add sidebar information on Villebois history**
Policy Objectives	1 (Diversity of Unit Types), 2 (Partnerships), 5 (Accessible Locations), 6 (Expand Subsidized Housing Stock), 7 (Social Equity)
Summary of Stakeholder Feedback	The City has already developed broad goals for housing types in the Frog Pond Area Plan. Developing additional policies for affordability may require additional technical analysis.
Potential Impact	◆◆ By establishing targets ahead of master planning efforts, the City can work with developers to achieve those targets.
Administrative Effort	◆ Requires staff time and stakeholder engagement to establish goals/targets.
Applicable Geographies	Frog Pond East and South, other future urban growth areas
Partners	Metro
Potential Funding Sources	N/A

Next Steps

Prior to Master Planning Process: Develop policy guidance to guide master planning.

The City can consider the following:

- Determine range of units affected by the policy, including rent-restricted units, ownership units, accessory dwelling units, and units by size.
- Determine a range for depth of affordability for those units.
- Provide guidance on how the City should further refine these policies, including stakeholder engagement with property owners, developers, renters, communities of color, and potential funders and composition of any oversight or advisory committees.
- Understand community design implications, including providing a specific focus on maintaining access to amenities for affordable units and integrating those units into the overall master plan design.

During Master Planning Process:

- Define policies: Identify the City's targets for affordability levels and number of units that meet those affordability levels. The target should be provided in a range to allow flexibility to be responsive to changing market dynamics, funding sources, and partner interests.

- Identify specific properties that could play a role in achieving the Master Plan targets.
 - Explore how the affordability targets interact with the master plan use mix, the location of amenities, infrastructure provision, and the implementation and funding plan.
 - Determine potential changes to impact fee assessments and conduct infrastructure funding analysis.
 - Directly engage nonprofit and for profit affordable housing developers
-

DRAFT

1D: Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability

Summary

Tools that support housing production and encourage preservation of housing affordability by providing a partial property tax exemption on increased property value for qualified developments.

The City will conduct an analysis of the available options to determine which are most appropriate to and viable in Wilsonville. Through a multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. There are several additional abatement programs authorized at the state level that could be added. Each targets a slightly different type or market rate and/or affordable housing unit. Potential programs include:

Vertical Housing Development Zones (VHDZ):

While ground floor retail is desirable in high-density, amenity-rich areas, the additional expense and regulatory requirements that result often make projects infeasible. Providing ground floor retail can help to increase access to services and amenities in a neighborhood. VHDZ incents multi-story mixed-use development by offering a partial property tax exemption for 10 years to developments that include housing as well as non-residential use (e.g. retail on the ground floor), with a larger tax exemption for higher density developments. A tax exemption can help to increase development feasibility for projects that might not otherwise pencil. *Key Takeaway: This program could be useful in specific, geographically-limited areas like Villebois and Town Center.*

Multiple Unit Property Tax Exemption (MUPT, sometimes called MULTE):

A flexible program that can be used to incent multifamily housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years. Though the state enables the programs, each city has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria, and program cap. One important implementation consideration is the need to monitor compliance over the course of the abatement. The City could implement one or more of the following program types:

- **Encouraging middle housing rental development** by establishing eligibility criteria related to tenure, units on site, and unit size but not requiring detailed income reporting.
- **Supporting rent-regulated affordable projects** that are not eligible for the City's existing nonprofit exemption (e.g. projects developed by for profit developers) but still have monitoring required by state or federal funds.
- **Supporting workforce housing projects.** The City could offer a citywide program for housing that is affordable to households making up to some specific income level (e.g., 80% or 100% of AMI). If the affordability threshold is relatively close to current market rents, the City could limit the rent the developer could charge but not require income certification for tenants.
- **Preserving the affordability of existing housing** (see Action 2F).

Key Takeaway: A citywide program with multiple uses would likely be the most effective program in encouraging affordable housing at multiple scales.

Temporary exemption for newly rehabilitated or constructed multiunit rental housing:

Incentivizes development or rehabilitation of multifamily rental housing with rents affordable to households with an annual income at or below 120% of the area median income (AMI) citywide through a full property tax abatement for no more than 10 years. This abatement program is most useful when a city is interested in encouraging all multifamily development, even above the median income. *Key Takeaway: Given the City's interest in prioritizing affordable development, the MUPT program is a more suitable program unless the City is interested in providing an abatement to almost any new multifamily housing development project.*

Nonprofit Low-Income Rental Housing Exemption:

Provides a simplified way for affordable housing owned and operated by a nonprofit to qualify for a property tax exemption. *Key Takeaway: The City already provides an abatement to non-profit affordable housing developers.*

A more detailed comparison of the available programs is included in Appendix D.

Rationale	Tax abatements can substantially contribute to the feasibility of both market-rate and regulated units. Saving on operational costs contributes to greater net operating income, which is important in determining project value and subsequently the development feasibility. By reducing ongoing operating costs for housing through a housing tax abatement, the City could help to incentivize developers to include affordable units as part of larger development projects.
Policy Objectives	1 (Diversity of Unit Types), 2 (Partnerships), 5 (Accessible Locations)
Summary of Stakeholder Feedback	Developers consider this tool most impactful. Requires more research about which abatements to explore.
Potential Impact	◆◆ Or ◆◆◆ An abatement can be an important incentive to enable new development; more research into the abatements that work best for Wilsonville is needed (see next steps).
Administrative Effort	◆ Market and policy analysis plus stakeholder outreach (including outreach to overlapping taxing districts) required to evaluate and adopt options.
Applicable Geographies	Vertical Housing: zone-specific (Villebois, Town Center) MULTE program: City-wide
Partners	Other taxing jurisdictions
Funding Required	N/A. Foregone revenue
Next Steps	<ul style="list-style-type: none">• Explore the following implementation considerations:<ul style="list-style-type: none">○ How much revenue would the City be willing to forgo on an annual basis? Does the City want to limit the number of abatements provided?○ How can the City best assess the benefit it receives in exchange for the abatement? Does this include a financial analysis of the expected cost to the City and other taxing jurisdictions in exchange for other benefits?○ How would the City evaluate and select projects that would receive the abatement?○ Would the City be interested in leading an effort to abating its own taxes plus working with other taxing jurisdictions to seek abatement of their taxes as well, to encourage deeper levels of affordability?○ Determine City goals for how many units can receive an abatement.○ How would the City accommodate reporting requirements?

- How does the City weigh the temporary (up to 10 years) loss of tax revenue against the potential attraction of new investment to targeted areas?
- Is there a threshold at which the City would end the program, such as after certain number of units receive the abatement?
- Identify specific geographies where specific abatements would be most effective.
- Reach out to overlapping taxing districts to gauge support for the City's priority program(s). To extend the exemption to all taxing districts, the City must secure support (in the form of a resolution) from governing boards representing at least 51% of the total combined rate of taxation levied on the property.
- The City should also track multifamily housing production and whether recently permitted projects move to construction to determine whether MUPTe is appropriate for market-rate multifamily housing.
 - If the City ultimately decides to implement MUPTe, the City must adopt the provisions of ORS 307.600 to 307.637. The City must designate a specific area if MUPTe will be applied to market-rate housing; for housing subject to affordability restrictions, the City can designate the entire city for the exemption.
 - Prior to passing an ordinance or resolution to adopt MUPTe, the City must hold a public hearing to determine whether qualifying housing would otherwise be built or preserved without the benefit of the exemption. The City must also establish standards and guidelines to consider applications and make decisions, including setting eligibility criteria.
- Adopt the selected tax abatement(s) by resolution, including specifying any local parameters and definitions required for the abatement in question.

1E: Facilitate Connections to Partners and Housing Resources through City Liaison

Summary	<p>The City would designate a point person to serve as a resource for community members and interested housing stakeholders for housing in the City. That staff person would:</p> <ul style="list-style-type: none"> • Conduct ongoing outreach with the County, Metro, development community, community-based organizations, and service providers. • Fully understand the array of resources available for prospective homeowners and current renters. • Help to implement Strategic Plan implementation actions. • Create and maintain the online One Stop Shop that would include a directory of housing-related resources on the City's website for community members, key stakeholders, and interested developers. See City of Milwaukie's One Stop Shop for an example: https://www.milwaukieoregon.gov/housingaffordability).
Rationale	Achieving lasting implementation of the Strategic Plan requires focused attention. The Housing Liaison would be able to track current conditions, build relationships with local stakeholders, support renters, maintain information on the website, and help to implement the Plan.
Policy Objectives	2 (Partnerships), 3 (Homeownership), 4 (Prevent Displacement), 7 (Social Equity)
Summary of Stakeholder Feedback	The City could play a better role in providing resource referrals, but it is not necessarily the City's role to provide the resources themselves (i.e. renter support, landlord counseling). The City does not currently have a resource for interested housing developers nor someone who is solely focused on implementing housing-related actions.
Potential Impact	◆ to ◆◆ Focused attention on plan implementation can help to advance Council's priorities. In addition, this staff person could increase the City's exposure to potential funding partners, including regional, state, and private players.
Administrative Effort	◆ to ◆◆ Requires staff allocation.
Applicable Geographies	Citywide
Partners	Clackamas County, Metro, State, nonprofit and for profit developers, nonprofit organizations
Funding Required	General fund
Next Steps	<ul style="list-style-type: none"> • Determine needed staffing levels and designate staff person. • Develop work plan, which includes the creation of online one stop shop, stakeholder engagement, and Plan implementation. • Monitor engagement and partnership development.

5. Tools Requiring Further Exploration

2A: Secure Land for Development of Affordable and Equitable Housing

Summary	City-led program to buy and hold land for future development opportunities. This supports affordable housing by reducing or eliminating land cost from development. The City has a number of properties in its portfolio that could serve as housing opportunity sites, including the Public Works/Police/Community Center property and the Wilsonville Transit Center.
Policy Objectives	2 (Partnerships), 3 (Homeownership), 5 (Accessible Locations)
Summary of Stakeholder Feedback:	Overall favorable opinion, especially among potential developers who were concerned about lack of available land for infill development. Requires more research about potential funding sources, strategy execution, and target properties.
Potential Impact	◆◆◆ Control of land is one of the key sources of local government leverage for housing development.
Administrative Effort	◆◆ Requires development of a land banking or acquisition strategy that includes a funding source. For properties the City already owns, the administrative effort is minimal.
Possible Next Steps	<ul style="list-style-type: none"> • Inventory City or publicly-owned property. • Determine the viability of a policy that prioritizes surplus property for housing development. Such a policy would not stipulate that all surplus property will or can be development for housing, but that the City must at least evaluate a parcel's potential for housing before selling the property or using it for another purpose • Explore feasibility of a City-led effort to work with partners, including regional land banks, to optimize the use of City-owned land. This could include a parcel-by-parcel development opportunity study or a set of conversations with potential development partners about the opportunities and challenges for each parcel. • Identify the sources of funding the City has to deploy, and how the City could leverage those funds with outside funding. • Conduct an analysis of potential acquisition opportunities. • Consider role of Metro housing bond in helping to fund affordable housing projects on City-owned parcels.

2B: Reduce Housing Costs by Modifying Parking Requirements

Summary

Parking requirements can have an adverse impact on land and development costs, leading to an increase in housing costs. In some communities, there are areas where the required parking is considerably more excessive than the need. This is especially true as areas transition to support more people traveling by transit, carpool, bicycle and walking/rolling. Parking that is developed but rarely used consumes a lot of land and resources. Some communities have found great savings by looking more closely at their parking policies, including shared parking policies, minimum parking requirements, and comprehensive parking plans and strategies for commercial districts such as the Town Center. Additionally, developments providing equitable housing for people who are disabled or elderly, and those that are close to regional transit, typically have lower levels of car ownership and needs for parking. Potential to limit to subsidized units, areas with better transit access, or provide a case-by-case review depending on the project parameters.

Policy Objectives	1 (Diversity of Unit Types), 2 (Partnerships), 5 (Accessible Locations)
Summary of Stakeholder Feedback	Split agreement – some stakeholders in favor, others oppose. Requires more research and discussion for potential applications.
Potential Impact	◆◆ For some projects, especially affordable housing projects, a reduction in parking requirements can mean greater feasibility.
Administrative Effort	◆ Requires staff time to develop standards.
Next Steps	<ul style="list-style-type: none"> • Which parking requirements may be affecting housing costs? • How much of a parking reduction would be appropriate for affordable housing units? Does location and surrounding amenities influence this? • Would affordable developments only be eligible if they met certain criteria? • How would the City mitigate any concern from surrounding neighborhoods?

2C: Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing

Summary

Systems Development Charges (SDCs) can have a big impact on the feasibility of a housing project. Some cities make changes to their SDC schedules to incent more affordable housing types, while others provide reductions or waivers to projects that meet specific program criteria. Many programs have specific requirements that eligible projects must include a share of affordable units. This reduces the cost to build affordable housing and can allow affordable housing developers to produce units more cost-effectively. Potential avenues for the City to explore include:

- Tie SDCs to overall size of housing unit (potentially regardless of number of fixtures or size of infrastructure)
- Delaying collection of SDCs and/or time of investment.
- Offer reductions or waivers on a project's system development charges or permit fees, which reduces the cost to build those types of housing.

Policy Objectives	2 (Partnerships), 6 (Expand subsidized housing stock)
Summary of Stakeholder Feedback	Effective tool to bridge feasibility gap; Developers consider these tools most impactful.
Potential Impact	◆◆◆ Developers working in Wilsonville have stated that SDCs have a big impact on project costs, even though Wilsonville's SDCs are comparable to the regional average. This makes waivers a valuable incentive; however, the City cannot waive SDCs collected by the County or special districts without prior approval. The City must balance its affordable housing goals with its ability to pay for infrastructure to support new housing.
Administrative Effort	◆ to ◆◆ Depends on program criteria and ongoing monitoring required.
Key Considerations	<ul style="list-style-type: none"> • Would the City want to offer exemptions or fee reductions to projects that are not already subject to monitoring and compliance regulations, or limit it to projects with state or federal funding and projects to be owned/operated by non-profits? • How long an affordability restriction would the City want to impose? • If the City were to subsidize SDCs or permit fees from another source, how much would the City need to allocate towards such a program in order to fund a meaningful number of units and projects? • If the City were to exempt affordable housing from SDCs or permit fees and not subsidize from another source, how big a reduction to permit and/or SDC revenue can the City sustain? • Are there other funding sources the City could identify to fill the gap? CET funds? Other?
Next Steps	<ul style="list-style-type: none"> • Coordinate among City staff and policymakers to identify desired project eligibility. • Determine funding implications and what revenue sources are needed to subsidize foregone revenues from reducing or waiving SDCs.

2D: Explore Partnerships with Community Land Trusts

Summary	Community organizations that own land can provide a long-term ground lease to affordable housing developers or low-income households to create opportunities for stable housing and homeownership. The terms on purchase prices, resale prices, and equity capture ensure that the homes remain affordable for future residents. The City of Wilsonville can support Community Land Trusts (CLTs) by providing them City-owned land, grants, or low-interest loans and incentivizing developers to work with CLTs.
Policy Objectives	2 (Partnerships), 3 (Homeownership), 4 (Prevent Displacement), 6 (Affordable Housing Stock)
Summary of Stakeholder Feedback	There are few entry-level homes that would be affordable to first-time homebuyers in Wilsonville. The City should do more to support potential homebuyers.
Potential Impact	◆◆◆ Land is a key factor in development of affordable units. Donated land can significantly reduce the size of the loan for the developer. Local, community-based organizations could be willing to partner in Wilsonville's vision for equitable housing if they see that the vision is aligned with their mission.
Administrative Effort	◆ Will require staff time to meet with representatives from CLTs and coordinate possible partnerships. The time for implementation will take longer if land needs to be acquired or transferred.
Key Considerations	<ul style="list-style-type: none"> • Is the CLT-owned land in an area with concentrated poverty or low transit access? • How can the City require or incentivize developers to work with CLTs? • What funding sources are available to assist CLTs.
Next Steps	<ul style="list-style-type: none"> • Research community organizations that may have excess land and interest in forming a CLT. • Identify funding opportunities for partnering with CLTs.

2E: Explore Homeownership Support Programs

Summary

The City could provide the following:

- **Education on Home Ownership Preparation.** Help first-time homebuyers learn the basics about the home buying process in classes taught by experienced professionals who specialize in helping first-time homebuyers. Special topics on HOAs can be included. The City could coordinate with existing organizations such as the Portland Housing Center to facilitate this training or develop its own program.
- **Alternative Funding Sources for Down Payment and Mortgage Assistance.** Expand financing options to low-income and middle-income households who plan to purchase a home.
- **Partnership with local nonprofits.** Work with Proud Ground or Habitat for Humanity to develop affordable homeownership projects on City-owned land. Connect renters interested in home ownership to these local nonprofits for assistance with the home purchasing process.

Policy Objectives	3 (Homeownership), 7 (Social Equity)
Summary of Stakeholder Feedback	There are few entry-level homes that would be affordable to first-time homebuyers in Wilsonville. The City should do more to support potential homebuyers.
Potential Impact	◆ to ◆◆ Depends on program parameters and City involvement.
Administrative Effort	◆ to ◆◆ Depends on program parameters and City involvement.
Key Considerations	<ul style="list-style-type: none"> • Does the City have funding capacity available to support homeownership programs? • How can the City best develop a partnership with other entities working to encourage affordable homeownership opportunities?
Next Steps	<ul style="list-style-type: none"> • Conduct outreach with potential partners to determine the City's role.

2F: Explore Housing Preservation Tax Abatement

Summary

As suggested in Action 1D, the City could explore the creation of a tax abatement program specifically targeted toward existing low-cost market rate rental properties to reduce potential displacement of tenants living in those properties. The City would use the Multiple Unit Property Tax Exemption Program (MUPTe) with a set of program parameters targeted toward preservation.

MUPTe is a flexible program that can be used to incent multifamily housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years. Though the state enables the programs, Wilsonville shape the program to achieve its preservation goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria, and program cap. One important implementation consideration is the need to monitor compliance over the course of the abatement.

Statute allows for MUPTe to be used for existing multiple-unit housing that is or becomes subject to an affordability agreement with a public agency. This means that the City could offer the tax abatement authorized under MUPTe in exchange for signing an agreement with a public agency (such as the local Housing Authority or another affordable housing provider) to regulate rents. Because the statute is flexible about the nature of the affordability agreement, it could be structured to limit the annual increase in rents or to require a reduction based on the value of the tax abatement. The City could require that participating property owners invest in renovations in order to qualify, but this is not required under statute. ECONorthwest has been exploring a similar preservation-focused tax abatement in the City of Scappoose. Possible options include:

- **Rehabilitation emphasis:** Make renovations an eligibility requirement, with a required investment amount that is proportional to (and less than) the value of the tax abatement to the property owner. Require that participating property owners prioritize investments in health and safety improvements first, and then improvements for energy efficiency, universal accessibility, etc. Limit the rate of rent increases for the duration of the tax abatement (e.g., 2% or less).
- **Rent reduction emphasis:** Do not require renovations, but require that rents be reduced in proportion to the tax abatement, with a limit on the rate of increase year-to-year.

Policy Objectives	2 (Partnerships), 4 (Reduce Displacement)
Summary of Stakeholder Feedback	Residents are concerned about the potential for displacement, given rising rents in the community.
Potential Impact	◆◆ Or ◆◆◆ An abatement can be an important incentive to ensure affordability; more research into the abatements that work best for Wilsonville is needed.
Administrative Effort	◆ Policy analysis plus outreach with overlapping taxing districts and existing property owners required to evaluate and adopt options.
Key Considerations	<ul style="list-style-type: none"> • For either option described above, the affordability agreement should require rent restrictions but not income qualification in order to avoid creating administrative burden for the property owner and to ensure that existing residents would be able to remain.

- For enforcement, participating property owners could be required to submit current rent rolls and provide written notice to all tenants of the affordability agreement with contact information to report any potential violations.
- Since income qualification would not be necessary, the City could in theory establish affordability contracts directly with property owners. This would require some additional administrative effort, but much less than income certification.

Next Steps

- Explore the following implementation considerations:
 - How much revenue would the City be willing to forgo on an annual basis? Does the City want to limit the number of abatements provided? How does the City weigh the temporary (up to 10 years) loss of tax revenue against the potential attraction of new investment to targeted areas?
 - How can the City best assess the benefit it receives in exchange for the abatement? Does this include a financial analysis of the expected cost to the City and other taxing jurisdictions in exchange for other benefits?
 - How would the City evaluate and select projects that would receive the abatement?
 - Would the City be interested in leading an effort to abating its own taxes plus working with other taxing jurisdictions to seek abatement of their taxes as well, to encourage deeper levels of affordability?
 - How would the City accommodate reporting requirements?
 - Is there a threshold at which the City would end the program, such as after certain number of units receive the abatement?
 - Are affordable housing providers willing to partner on implementation of affordability restrictions for preservation projects? If providers are unwilling to take this role on, consider whether City staff can administer a preservation program like the one described above. If the City is willing to take this on, staff may need additional support to create the program.

2G: Assess Accessibility and Visitability Standards or Incentives

Summary	“Visitability” describes a set of home design standards that address accessibility needs of visitors with mobility impairments. The three principles of visitability are: at least one zero-step entrance, wide doorways and hallways for clear passage, and at least one bathroom with wheelchair access on the main floor. The City of Wilsonville can adopt new design codes or grant incentives for developments with visitability standards.
Policy Objectives	1 (Diverse Housing Types), 7 (Social Equity)
Summary of Stakeholder Feedback	Through the library kiosk, Let’s Talk Wilsonville, and renter survey, many residents expressed a desire to see more one-level homes. This speaks to the need for more accessible homes that can accommodate people with mobility challenges.
Potential Impact	◆ The City’s proactive initiative to consider the needs of all ages and abilities could be a welcomed change for the residents. The new standards would apply only to new construction.
Administrative Effort	◆◆ or ◆◆◆ The City Council can propose and adopt the three principles of the visitability standards relatively quickly. More staff time will be required for creating incentives associated with visibility standards.
Key Considerations	<ul style="list-style-type: none"> • Is visitability a concern for current and future residents? • Are there existing design or space limitations for enhancing visitability (i.e., on-site stormwater mitigation, narrow lots)?
Next Steps	<ul style="list-style-type: none"> • Disseminate information on visitability standards among policymakers. • Identify Development code sections that need to be amended.

6. Steps for Implementation

Over the coming years, implementing the plan will require the City to balance and coordinate its pursuit of actions, funding, and partnerships with its many other public priorities. Below is a set of implementation steps that will improve success with advancing this Plan's near-term actions while building momentum toward the larger goal of achieving housing equity.

Develop staff work programs and budget for implementation: After the Plan's adoption, the City will move towards implementing the Plan's actions. This will include developing work programs, assigning staff to complete analysis and follow up conversations, and meeting with the county and other partners to identify potential partnership opportunities. Implementation of some actions may require dedicated staff time and budget.

Involve the Community: The City will continue engaging the community in this work, seeking their input regarding the nature of the housing challenges. The City will pay particular attention to those community members who experience housing inequities, including renters, communities of color, and representatives of disabled communities. These community members will be best positioned to inform the City's next set of actions beyond those identified in this Plan.

As implementation activity continues, the City may realize efficiencies through establishing an ongoing community housing advisory committee. Through the proposed housing liaison identified in Action 1E, the City should maintain an open line of communication to understand evolving needs and how the City can best respond to those needs.

Build Partnerships: Many partners and funders are active in the Portland metro region; Wilsonville can better leverage their skills, connections, and resources with a focused attention to understanding their roles, communicating the needs and opportunities in Wilsonville, and finding joint funding opportunities. Stakeholders include nonprofit housing developers, Metro, Clackamas County, community-based organizations, school districts, tenant's rights organizations, land trusts and other non-profits focused on increasing access to home ownership, the State of Oregon (especially Oregon Housing and Community Services), and others.

Develop Performance Measures: Priorities for implementation will evolve over time, as actions are completed and Wilsonville's needs change. Tracking the City's progress towards implementing its Plan is important to hold the City accountable to its residents and to determine whether the activities the City is implementing are having the desired impacts. To keep the effort on track, the City should identify a set of performance measures for equitable housing objectives. The performance measures should be quantifiable based on

Performance measures are based on data, and tell a story about whether progress is being made toward attaining an organization's policy goals.

available data, limited in number, and focused enough to tell a story about progress toward goals.

The most logical location for tracking such information is the City's annual housing report, which could include a section that describes the City's equitable housing activities and information about these measures.

Proposed performance measures will require additional discussion to confirm, along with planning to integrate data collection and analysis into ongoing staff work flow. They are:

****Pending further conversation with the Task Force/Planning Commission/City Council****

- Number, location, and type of new homes produced
- Number and location of regulated affordable units produced
- Accessibility to services and transit for new homes
- Documentation of conversations with property owners, home owners' associations and developers about the importance of equitable housing
- Share of rent-burdened residents
- Change in workforce and worker incomes over time (to support assessment of needs for workforce housing)
- Mortgage applications and denials, including by race and ethnicity (publicly available for download as a result of the Home Mortgage Disclosure Act)

Process for assessing and updating strategies / priorities: As conditions change and the City makes progress towards its goals, the City Council may want to revisit and update the Plan on a periodic basis, such as every two to three years. ****Pending further conversation with Council and Planning Commission****

Appendix

- A. Housing Market Research Report (previously furnished, not included with this draft)
- B. Stakeholder Outreach Process and Themes
- C. All Actions Evaluated (previously furnished, not included with this draft)
- D. Property Tax Abatements for Housing in Oregon

¹ Walkerly and Russel, September 2016, accessed online at:
https://ssir.org/articles/entry/what_the_heck_does_equity_mean

² Andersson, Fredrik, John C. Haltiwanger, Mark J. Kutzbach, Giordano E. Palloni, Henry O. Pollakowski, and Daniel H. Weinberg. "Childhood Housing and Adult Earnings: A Between-Siblings Analysis of Housing Vouchers and Public Housing," National Bureau of Economic Research, 2016.

³ "A Snapshot of Housing Affordability in Greater Portland." Metro
<https://www.oregonmetro.gov/news/you-are-here-snapshot-housing-affordability-greater-portland>

⁴ Fernald, Marcia, Ed., "The State of the Nation's Housing 2013," Joint Center for Housing Studies of Harvard University, 2013, <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2013.pdf>.

⁵ ECONorthwest analysis using methodology from the following paper: Chakrabarti, Ritashree, and Junfu Zhang. *Unaffordable housing and local employment growth*. No. 10-3. Federal Reserve Bank of Boston, 2010.

⁶ Wright, Bill, Keri Vartanian, Grace Li, and Maggie Weller, "Health in Housing: Exploring the Intersection Between Housing & Health Care," The Center for Outcomes Research & Education, Providence Health & Services, 2016, https://oregon.providence.org/~media/Files/Providence%20OR%20PDF/core_health_in_housing_full_report_feb_2016.pdf.

⁷ Desmond, Matthew and Gershenson, Carl, "Housing and Employment Insecurity among the Working Poor." *Social Problems*, Volume 63, Issue 1, 1 2016, Pages 46–67, <https://doi.org/10.1093/socpro/spv025>